GOVERNMENT OF INDIA
PLANNING
LOK SABHA

UNSTARRED QUESTION NO:4477
ANSWERED ON:29.03.2017
Developmental Disability Index
Rai Shri Prem Das

Will the Minister of PLANNING be pleased to state:

(a)whether the Government has worked out Developmental Disability Index (DDI);

(b)if so, the details thereof;

(c)whether the Government has updated or proposes to update the said index;

(d)if so, the details thereof; and

(e)the steps taken to improve the socio-economic conditions in States with low ranks-especially Sikkim?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MINISTRY OF PLANNING AND
MINSTER OF STATE FOR MINISTRY OF URBAN DEVELOPMENT AND
MINISTRY OF HOUSING & URBAN POVERTY ALLEVIATION.

(RAO INDERJIT SINGH)

(a) to (d) The erstwhile Planning Commission considering the hardships faced by the people in the hilly regions conducted a study through National Institute of Public Finance and Policy (NIPFP)-"Developmental Disability Index for Hill States in India" involving 2 components viz. Endowment Effect (which included Forest Cover Area and Geographical Area) and Transaction Cost (which included portion of land under hilly terrain and Infrastructure Deficit). The Study was published in May 2013. The report indicated higher transaction cost faced by some states due to bio-geographical reasons such as forest land and hilly terrain and as such recommended higher devolution to these states. Subsequently, the Fourteenth Finance Commission (FFC) was of the view that the devolution formula should be continue to be defined in such a way that it attempts to mitigate the impact of the differences in fiscal capacity and cost disability among States. Keeping this factor in view, FFC included the Forest area as one of the factor for devolution formula and assigned a weight of 7.5% to Forest cover along with the weight of 17.5% to Population, 10% to Demographic changes, 50% to Income distance and 15% to Area. Accordingly FFC recommended for increasing the devolution to the States in general in Central Taxes from 32% to 42%.

(e) As per the recommendations of the Sub-Group of Chief Ministers and consultations with various Ministries/Departments and other stakeholders, Government of India has decided to rationalize the existing 66 Centrally Sponsored Schemes (CSS) into 28 Umbrella Schemes. Further considering the cost disability the funding pattern for the CSS in 8 North Eastern States (including Sikkim) and Himalayan States of Uttarakhand, Himachal Pradesh and Jammu and Kashmir has been kept at Centre : 90% and State 10% whereas for the rest of the States this ratio has been kept at Centre : 60% and State: 40% for Core CSS. Also, the flexi-funds available in each CSS has been raised from the current level of 10% to 25% for States and 30% for Uts of the overall annual allocation under each Scheme so that the implementation can be better attuned to the needs of individual State/Uts.